

California State University, Bakersfield, Auxiliary for Sponsored Programs Administration

FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION

Years Ended June 30, 2024 and 2023



CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION

Financial Statements and Supplemental Information

Years Ended June 30, 2024 and 2023

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INDEPENDENT AUDITOR'S REPORT

To the Audit Committee
California State University, Bakersfield, Auxiliary for Sponsored Programs Administration

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of California State University, Bakersfield, Auxiliary for Sponsored Programs Administration (a nonprofit organization), which comprise the statements of net position as of June 30, 2024 and 2023, the related statements of revenues, expenses, and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of California State University, Bakersfield, Auxiliary for Sponsored Programs Administration as of June 30, 2024 and 2023, and the changes in its net position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of California State University, Bakersfield, Auxiliary for Sponsored Programs Administration and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

INDEPENDENT AUDITOR'S REPORT, CONTINUED

Auditor's Responsibilities for the Audit of the Financial Statements, continued

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-7 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. The supplemental information included on pages 15-26 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with generally accepted auditing standards. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the financial statements as a whole.

INDEPENDENT AUDITOR'S REPORT, CONTINUED

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 19, 2024, on our consideration of California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's internal control over financial reporting and compliance.

Aldrich CPAs + Advisors LLP

San Diego, California
September 19, 2024

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION

Management's Discussion and Analysis (Unaudited)

Years Ended June 30, 2024 and 2023

This section of the California State University, Bakersfield, Auxiliary for Sponsored Programs Administration (the Organization) annual financial report includes management's discussion and analysis (MD&A). As management of the Organization, we offer this narrative overview and analysis of the financial activities of the Organization for the year ended June 30, 2024 with comparative analysis for prior years. The MD&A should be read in conjunction with the audited financial statements and accompanying notes, which follow this section.

Introduction to the Financial Statements

The MD&A is intended to serve as an introduction to the Organization's basic financial statements, which consist of the following: (1) The statements of net position, (2) the statements of revenues, expenses, and changes in net position, (3) the statements of cash flows, and (4) notes to the financial statements. This report also contains supplemental information in addition to the basic financial statements. All sections must be considered together to obtain a complete understanding of the financial picture of the Organization.

Statements of Net Position: The statements of net position includes all assets and liabilities. Assets and liabilities are reported on an accrual basis, as of the statement date. The statements also identify major categories of restrictions of net position of the Organization.

Statements of Revenues, Expenses, and Changes in Net Position: The statements of revenues, expenses, and changes in net position present the revenues earned and expenses incurred during the year on an accrual basis.

Statements of Cash Flows: The statements of cash flows presents the inflows and outflows of cash, and is summarized by operating, noncapital financing, capital and related financing, and investing activities. These statements are prepared using the direct method of cash flows and therefore present gross, rather than net, amounts for the year's activities.

Notes to the Financial Statements: The notes to the financial statements provide additional information that is essential to the full understanding of the data provided in the financial statements. The notes to the financial statements can be found beginning on page 11 of this report.

In addition to the basic financial statements and accompanying notes, this report presents supplemental information including the schedules of expenses by natural classification, supplemental information for inclusion in the California State University, and other information including the schedule of expenditures of federal awards, notes to the schedule of expenditures of federal awards, and the schedule of findings and questioned costs. These supplementary schedules and information can be found beginning on page 15 of this report.

Financial Highlights

The following discussion highlights management's understanding of the key financial aspects of the Organization's financial activities, for the years ended June 30, 2024, and 2023. The Organization continued to effectively manage its grants and strengthen its financial position by growing the grant portfolio. During the reporting period, the Organization generated and submitted 68 proposals requesting approximately \$54.9 million, with about \$5.2 million in anticipated Facilities and Administrative (F&A) cost recovery – the major source of unrestricted revenue. It is important to note that although the federal negotiated F&A rate is 48% of modified total direct costs, many funding opportunities offer a lower rate and certain categories of expense may not be used when calculating the actual cost recovery.

Other financial highlights as of June 30, 2024 and 2023 include:

- Total assets exceeded total liabilities by \$1.6 million as of June 30, 2024. Total assets exceeded the total liabilities by \$1.2 million as of June 30, 2023.
- The Organization's total net position increased by \$305 thousand in 2024. The Organization's total net position decreased by \$67 thousand in 2023.
- Capital assets increased by \$695 thousand in 2024 and by \$119 thousand in 2023.
- Operating revenue and other support increased by \$1.7 million in 2024 and by \$2.8 million in 2023.
- Operating expenses increased by \$1.3 million in 2024 and by \$2.1 million in 2023.

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS
ADMINISTRATION**

Management's Discussion and Analysis (Unaudited)

Years Ended June 30, 2024 and 2023

Statements of Net Position

	2024	2023	2022
Assets:			
Current assets	\$ 4,064,496	\$ 4,049,185	\$ 4,479,644
Capital assets, net	1,061,493	366,983	247,876
Total Assets	<u>\$ 5,125,989</u>	<u>\$ 4,416,168</u>	<u>\$ 4,727,520</u>
Liabilities and Net Position:			
Current liabilities	\$ 3,571,787	\$ 3,167,283	\$ 3,412,069
Net Position	<u>1,554,202</u>	<u>1,248,885</u>	<u>1,315,451</u>
Total Liabilities and Net Position	<u>\$ 5,125,989</u>	<u>\$ 4,416,168</u>	<u>\$ 4,727,520</u>

The statement of net position provides the basis for assessing liquidity and the financial flexibility of the Organization.

Assets

Total assets increased by \$710 thousand to \$5.1 million at June 30, 2024, from \$4.4 million at June 30, 2023. The change in assets is primarily due to an increase in net capital assets of \$695 thousand resulting from major equipment purchases including the acquisition of an emission scanning electron microscope, nursing equipment to support California State University Bakersfield's (CSUB) nursing program, and other equipment to support CSUB's STEM degree program.

Comparatively, total assets decreased \$311 thousand to \$4.4 million at June 30, 2023, from \$4.7 million at June 30, 2022. The net decrease was primarily due to a \$1.2 million decrease in cash offset by a \$692 thousand increase in accounts receivable and a \$119 thousand increase in capital assets. The decrease in cash was due to the transfer of salary cost savings to campus related to the replacement lecturer salary and release time for faculty working on grants. An increase in cost reimbursement contracts contributed to the increase in accounts receivable.

Liabilities and Net Position

The \$710 thousand increase in total liabilities and net position is due to a \$539 thousand increase in unearned revenue as well as a \$305 thousand increase in net position as of June 30, 2024. The increases were offset by a decrease in amounts due to related parties of \$163 thousand. Increase in unearned revenue is due to an increase in grant payments received that cannot be recognized until grant contractual obligations are fulfilled. The change in year-end related parties payables will vary year to year depending on SPA activities. See Note 5 on page 13 for further information regarding the nature of amounts due to related parties. See the following statements of revenues, expenses, and changes in net position for discussion related to the change in net position.

Total change in total liabilities and net position as of June 30, 2023, compared to June 30, 2022, is due to a decrease in liabilities of \$245 thousand and a decrease in net position of \$67 thousand. The decrease in liabilities was primarily attributed to a \$207 thousand decrease in amounts due to campus for replacement lecturer salaries and release time for faculty, comparative to prior year. See the following statements of revenues, expenses and changes in net position for discussion related to the prior year change in net position.

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS
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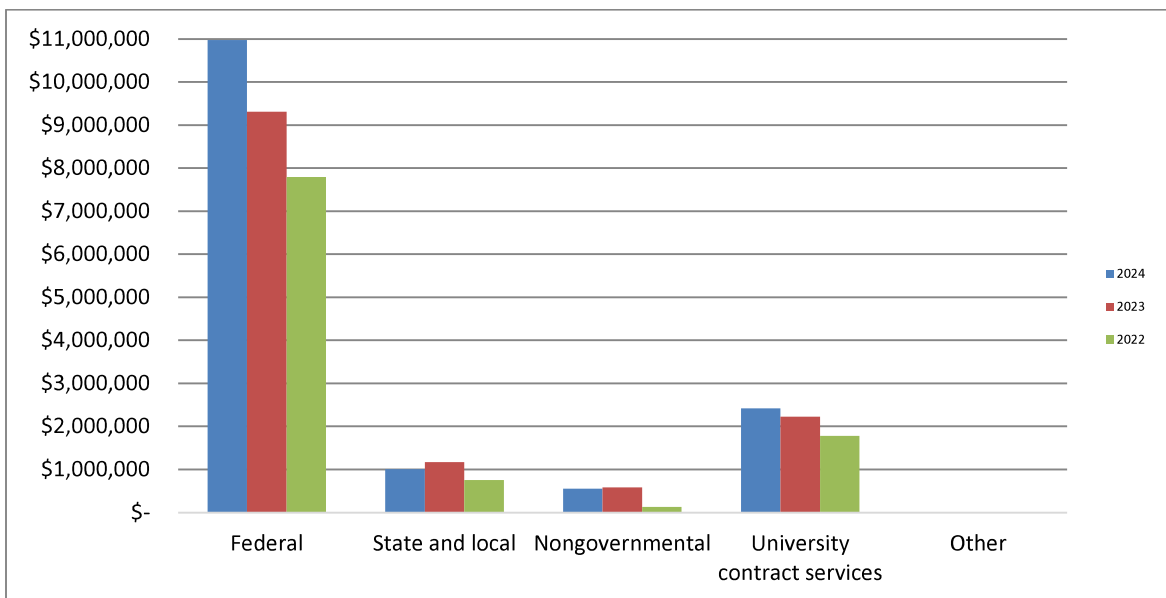
Management’s Discussion and Analysis (Unaudited)

Years Ended June 30, 2024 and 2023

Statements of Revenues, Expenses, and Changes in Net Position

	2024	2023	2022
Operating Revenue and Other Support:			
Grants	\$ 12,538,123	\$ 11,069,840	\$ 8,676,783
University contract services	2,420,132	2,227,782	1,781,267
Other	-	-	1,034
Total Operating Revenue and Other Support	14,958,255	13,297,622	10,459,084
Operating Expenses:			
Program services	12,905,308	11,410,658	9,496,358
General and administrative	1,750,286	1,953,530	1,746,383
Total Operating Expenses	14,655,594	13,364,188	11,242,741
Non-Operating Revenues:			
Other	2,656	-	-
Total Non-Operating Revenues	2,656	-	-
Change in Net Position	305,317	(66,566)	(783,657)
Net Position, beginning	1,248,885	1,315,451	2,099,108
Net Position, ending	<u>\$ 1,554,202</u>	<u>\$ 1,248,885</u>	<u>\$ 1,315,451</u>

Revenues



CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION

Management's Discussion and Analysis (Unaudited)

Years Ended June 30, 2024 and 2023

Revenues, continued

While the statements of net position show the change in financial position of the Organization, the statements of revenues, expenses, and changes in net position provide answers to the nature and sources of these changes.

Total revenues increased by \$1.7 million, or 13%, to \$15.0 million during the year ended June 30, 2024, from \$13.3 million as of June 30, 2023. The increase was mostly attributed to an increase in federal grant revenue, which increased by \$1.7 million, or 18%, when compared to fiscal year 2023. During the year ended June 30, 2024, federal grant revenue includes 63 federal awarded grants that were active and operational compared to the year ended June 30, 2023, in which federal grant revenue includes 50 active and operational federal awarded grants. The increase in federal revenue is also due to an effort to increase the burn rate in the grant portfolio.

During the year ended June 30, 2023, revenues increased from \$10.5 million to \$13.3 million as of June 30, 2022, an increase of 27%. Federal revenue increased by \$1.5 million, or 19 %, when compared to 2022. The increase in federal grant revenue was primarily due to an increase in the number of federal funded grants. State grant revenue increased from 6 to 7 percent, local grant revenue reflected an increase of revenue from 1 to 2 percent and nongovernmental grant revenue increased from 1 to 4 percent. The increase in state grant revenue was due to the recognition of revenue upon confirmation that all contingencies were met as outlined in the agreements for performance grants that ended. The increase in the local grant revenue was mainly due to the National Youth Sports Program (NYSP) grant that provides students with summer programs which include math, science, drug, and alcohol prevention, education research and sports. The increase in the nongovernmental grant revenue was related to the increase in grants received from non-profit organizations.

Expenses

Total operating expenses in the current year increased \$1.3 million, or 10%, to \$14.7 million during the year ended June 30, 2024, from \$13.4 million during year ending June 30, 2023. The increase is largely attributed to an increase in program service expenses. Program service expenses represent costs related to administering the grants awarded. These expenses can be classified into payroll and non-payroll related expenses (i.e., supplies and services, contractual services, travel, etc.). During the year ended June 30, 2024, payroll expenses totaled \$6.5 million as compared to non-payroll expenses of \$8.2 million. Comparatively, during the year ended June 30, 2023, payroll expenses totaled \$5.4 million and non-payroll expenses totaled \$8 million. The increase in payroll expenses is mainly due to the need for supporting staff and time including faculty engagement (one - time payments) to fulfill the contractual grant obligations. Additionally, all eligible staff and faculty received a 5% salary increase effective July 1, 2023. The increase in non-payroll expenses is due to an overall increase in spending across the grant portfolio. Due to increased grant funding, there was increase by the Principal Investigators in spending for travel, programmatic events, and participant support cost.

During the previous fiscal year, total operating expenses increased \$2.1 million, or 19%, to \$13.4 million during the year ended June 30, 2023, from \$11.2 million during the year ended June 30, 2022. The change was attributed to increases in both payroll expenses and non-payroll expenses. Increase in payroll expenses was due to filling vacancies within the programmatic functions as well as a 7% general salary increase to staff and faculty. Increase in non-payroll expenses was due to an overall increase in spending across the grant portfolio. The lift of COVID-19 restrictions further drove higher expenses in fiscal year 2023 comparative to fiscal year 2022.

Request for Information and Contacting the Organization's Financial Management

The Organization's financial report is designed to provide the Organization's Board of Directors, management, legislative and oversight agencies, citizens, and customers with an overview of the California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's finances, and to demonstrate its accountability for funds received. For additional information about this report, please contact Heather Macaulay, Interim Associate Vice President and Chief Accounting Officer, California State University, Bakersfield at 9001 Stockdale Highway, ADM 109, Bakersfield, California 93311.

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS
ADMINISTRATION**

Statements of Net Position

June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and cash equivalents	\$ 1,212,430	\$ 1,397,374
Accounts receivable	2,703,523	2,577,948
Due from related parties	13,686	3,403
Prepaid expenses	134,857	70,460
Capital assets, net	<u>1,061,493</u>	<u>366,983</u>
Total Assets	<u>\$ 5,125,989</u>	<u>\$ 4,416,168</u>
LIABILITIES AND NET POSITION		
Accounts payable	\$ 40,189	\$ 56,875
Due to related parties	1,208,409	1,371,006
Accrued expenses	960,761	938,286
Unearned revenue	1,292,620	753,449
Compensated absences - due within one year	<u>69,808</u>	<u>47,667</u>
Total Liabilities	3,571,787	3,167,283
Net investment in capital assets	1,061,493	366,983
Unrestricted	<u>492,709</u>	<u>881,902</u>
Total Net Position	<u>1,554,202</u>	<u>1,248,885</u>
Total Liabilities and Net Position	<u>\$ 5,125,989</u>	<u>\$ 4,416,168</u>

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS
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Statements of Revenues, Expenses, and Changes in Net Position

Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Operating Revenue and Other Support:		
Grants:		
Federal	\$ 10,976,651	\$ 9,312,433
State	849,288	951,444
Nongovernmental	556,890	586,552
Local	155,294	219,411
University contract services	2,420,132	2,227,782
Total Operating Revenue and Other Support	<u>14,958,255</u>	<u>13,297,622</u>
Operating Expenses:		
Program services	12,905,308	11,410,658
General and administrative	1,750,286	1,953,530
Total Operating Expenses	<u>14,655,594</u>	<u>13,364,188</u>
Non-Operating Revenues:		
Other	2,656	-
Total Non-Operating Revenues	<u>2,656</u>	<u>-</u>
Change in Net Position	305,317	(66,566)
Net Position, beginning	<u>1,248,885</u>	<u>1,315,451</u>
Net Position, ending	<u>\$ 1,554,202</u>	<u>\$ 1,248,885</u>

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS
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Statements of Cash Flows

Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash Flows from Operating Activities:		
Grant revenue receipts	\$ 12,944,092	\$ 10,423,719
University contract services	2,420,132	2,227,782
Payments to suppliers	(8,453,352)	(8,193,302)
Payments to employees	(6,295,435)	(5,365,501)
Net Cash Provided by (Used in) Operating Activities	<u>615,437</u>	<u>(907,302)</u>
Cash Flows from Capital and Related Financing Activities:		
Acquisitions of capital assets	(800,381)	(289,016)
Net Cash Used in Capital and Related Financing Activities	<u>(800,381)</u>	<u>(289,016)</u>
Net Decrease in Cash and Cash Equivalents	(184,944)	(1,196,318)
Cash and Cash Equivalents, beginning of year	<u>1,397,374</u>	<u>2,593,692</u>
Cash and Cash Equivalents, end of year	<u>\$ 1,212,430</u>	<u>\$ 1,397,374</u>
Reconciliation of Change in Net Position to Net Cash Provided by (Used) in Operating Activities:		
Change in net position	\$ 305,317	\$ (66,566)
Adjustments to reconcile change in net position to net cash provided by (used in) operating activities:		
Depreciation	65,071	43,751
Transfer of capital assets to a related party	40,800	126,158
Changes in operating assets and liabilities:		
Accounts receivable	(125,575)	(691,996)
Due from related parties	(10,283)	(3,403)
Prepaid expenses	(64,397)	(70,460)
Accounts payable	(16,686)	(5,649)
Due to related parties	(162,597)	(206,982)
Accrued expenses	22,475	(69,763)
Deferred revenue	539,171	49,278
Compensated absences	22,141	(11,670)
Net Cash Provided by (Used in) Operating Activities	<u>\$ 615,437</u>	<u>\$ (907,302)</u>

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION

Notes to Financial Statements

Years Ended June 30, 2024 and 2023

Note 1 - Organization and Summary of Significant Accounting Policies

Nature of Activities

California State University, Bakersfield, Auxiliary for Sponsored Programs Administration (the Organization) was incorporated in the State of California on August 28, 2009. The Organization was formed and operated solely for the benefit of California State University, Bakersfield (University) as a non-profit auxiliary organization. The Organization is responsible for the accomplishment of certain University objectives that require financial support not provided by the State. These activities occur in all aspects of university life, including the development and administration of sponsored grants and contracts for faculty and staff research and educational projects.

Basis of Presentation

The accompanying basic financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Reclassifications

Certain prior year amounts have been reclassified for consistency with the current year presentation, specifically, separating compensated absences from accounts payable in the statements of net position. These reclassifications had no effect on the reported results of operations.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes

The Organization is a qualified nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. However, the Organization remains subject to taxes on any net income which is derived from a trade or business regularly carried on and unrelated to its exempt purpose.

The Organization follows U.S. GAAP related to the recognition of uncertain tax positions. The Organization recognizes accrued interest and penalties associated with uncertain tax positions as part of the statements of revenues, expenses, and changes in net position, when applicable. Management has determined that the Organization has no uncertain tax positions at June 30, 2024 and 2023, therefore no amounts have been accrued.

Cash and Cash Equivalents

The Organization's cash and cash equivalents are considered to be cash on hand, and demand deposits.

Accounts Receivable

Accounts receivable arise in the normal course of operations. It is the policy of management to review the outstanding accounts receivable at year-end, as well as the bad debt write-offs experienced in the past, and establish an allowance for doubtful accounts for uncollectible amounts. A provision for doubtful accounts has not been established as management considers all accounts to be collectible based upon a favorable history over a substantial period of time.

Capital Assets

The Organization capitalizes all expenditures for capital assets in excess of \$5,000. Equipment and improvements are recorded at cost or at estimated fair value at date of gift if donated. Expenditures for maintenance and repairs are charged against operations. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets of three to ten years.

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS
ADMINISTRATION**

Notes to Financial Statements

Years Ended June 30, 2024 and 2023

Note 1 - Organization and Summary of Significant Accounting Policies, continued

Unearned Revenue

Unearned revenue represents grant payments received in advance of grant earnings.

Compensated Absences

Vacation benefits are accrued when earned and reduced when used. Sick leave, holiday pay, and other absence are expensed when used.

Net Position

The Organization's net position is classified into the following categories:

- Net investment in capital assets: Capital assets, net of accumulated depreciation, and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.
- Unrestricted: All other categories of net position.

Advertising

The Organization follows the policy of charging the costs of advertising to expense as incurred.

Subsequent Events

The Organization has evaluated subsequent events through September 19, 2024, which is the date the financial statements were available to be issued and has determined that there were no subsequent events to recognize in these financial statements.

Note 2 - Concentration of Credit Risk

The Organization maintains its cash in bank deposit accounts that are insured by Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000 per depositor per financial institution. The balances at times may exceed FDIC limits. The Organization manages this risk by using high-quality financial institutions.

Note 3 - Capital Assets

Changes in capital assets consist of the following for the year ended June 30, 2024:

	Balance June 30, 2023	Additions	Transfers	Balance June 30, 2024
Equipment	\$ 445,009	\$ 800,381	\$ (57,858)	\$ 1,187,532
Less accumulated depreciation	(78,026)	(65,071)	17,058	(126,039)
	<u>\$ 366,983</u>	<u>\$ 735,310</u>	<u>\$ (40,800)</u>	<u>\$ 1,061,493</u>

Changes in capital assets consist of the following for the year ended June 30, 2023:

	Balance June 30, 2022	Additions	Transfers	Balance June 30, 2023
Equipment	\$ 366,572	\$ 289,016	\$ (210,579)	\$ 445,009
Less accumulated depreciation	(118,696)	(43,751)	84,421	(78,026)
	<u>\$ 247,876</u>	<u>\$ 245,265</u>	<u>\$ (126,158)</u>	<u>\$ 366,983</u>

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION

Notes to Financial Statements

Years Ended June 30, 2024 and 2023

Note 4 - University Contract Services

The Organization utilizes University employees to provide direct programming services and indirect other services on behalf of the Organization. Services provided to the Organization by employees of the University are recognized as revenue equal to the University's estimate of the employee cost incurred to provide those services. The total estimated employee cost for the years ended June 30, 2024 and 2023 was \$2,263,532 and \$2,071,182, respectively, and has been recognized as University contract services revenue and as an operating expense in the statements of revenues, expenses, and changes in net position.

The Organization utilizes University facilities to conduct its services. The Organization has recognized revenue equal to the fair value of this rent for similar facilities. The total estimated fair value of this rent for the years ended June 30, 2024 and 2023 was \$156,600 and has been recognized as University contract services revenue and as an operating expense in the statements of revenues, expenses, and changes in net position.

Note 5 - Related Party Transactions

The Organization functions to benefit the University by accomplishing certain objectives, including faculty and staff research and educational projects, that require financial support not provided by the State. The University collects funds on behalf of the Organization related to draw downs on their various grants. These amounts are reported as payments received from the University.

During the years ended June 30, 2024 and 2023, payments to the University are for payroll and other administrative services to the Organization.

California State University, Bakersfield Foundation (Foundation) functions to the benefit of the University by fundraising for University programs and activities. Payments received from the Foundation are for the reimbursement of expenses incurred by the Organization on behalf of Foundation.

During the year ended June 30, 2024, payments to Foundation include reimbursements for expenses paid by Foundation on behalf of the Organization. During the year ended June 30, 2023, payments to Foundation include the reimbursement for cost incurred through a historical grant fund that were cleared by Sponsored Programs Administration as well as the reimbursement to Foundation for expenses paid by Foundation on behalf of the Organization.

California State University, Bakersfield, Student-centered Enterprises, Inc. (Student-centered Enterprises) operates various campus programming facilities. Payments to Student-centered Enterprises are for the use of the related party's facilities and equipment.

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS
ADMINISTRATION**

Notes to Financial Statements

Years Ended June 30, 2024 and 2023

Note 5 - Related Party Transactions, continued

Related party transactions as of and for the years ended June 30, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Payments received from:		
University	\$ 102,020	\$ 75,125
Foundation	7,032	905
	<u>\$ 109,052</u>	<u>\$ 76,030</u>
Payments to:		
University	\$ 5,716,021	\$ 4,996,344
Foundation	53,124	374,633
Student-centered Enterprises	58,600	43,755
	<u>\$ 5,827,745</u>	<u>\$ 5,414,732</u>
Due from:		
University	\$ 13,336	\$ 3,403
Foundation	350	-
	<u>\$ 13,686</u>	<u>\$ 3,403</u>
Due to:		
University	\$ 1,201,313	\$ 1,013,542
Foundation	946	357,464
Student-centered Enterprises	6,150	-
	<u>\$ 1,208,409</u>	<u>\$ 1,371,006</u>

Note 6 – Compensated Absences

A summary of the changes in compensated absences at June 30, 2024 and 2023 are as follows:

	<u>Balance June 30, 2023</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2024</u>	<u>Due Within One Year</u>
Compensated absences	\$ 47,667	\$ 67,391	\$ (45,250)	\$ 69,808	\$ 69,808
	<u>Balance June 30, 2022</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2023</u>	<u>Due Within One Year</u>
Compensated absences	\$ 59,337	\$ 43,108	\$ (54,778)	\$ 47,667	\$ 47,667

SUPPLEMENTAL INFORMATION

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS
ADMINISTRATION**

Schedule of Expenses by Natural Classification

Year Ended June 30, 2024

	Program Services	General and Administrative	Total
Salaries	\$ 5,188,987	\$ -	\$ 5,188,987
University contract services	1,382,235	1,037,897	2,420,132
Stipends	1,985,097	-	1,985,097
Supplies	1,258,570	5,680	1,264,250
Payroll taxes and benefits	1,258,814	-	1,258,814
Services from other agencies	555,556	560,567	1,116,123
Small equipment	429,250	62,683	491,933
Travel	316,033	-	316,033
Conference and meetings	168,368	621	168,989
Printing and publications	93,188	852	94,040
Dues and subscriptions	93,266	-	93,266
Professional fees	12,659	53,200	65,859
Depreciation	65,071	-	65,071
Space rental	57,142	-	57,142
Insurance	180	28,201	28,381
Miscellaneous	24,497	545	25,042
Telephone	9,622	-	9,622
Parking	4,583	40	4,623
Postage	2,190	-	2,190
Total Expenses	\$ 12,905,308	\$ 1,750,286	\$ 14,655,594

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS
ADMINISTRATION**

Schedule of Expenses by Natural Classification

Year Ended June 30, 2023

	Program Services	General and Administrative	Total
Salaries	\$ 4,104,982	\$ -	\$ 4,104,982
University contract services	1,143,435	1,084,347	2,227,782
Stipends	1,772,584	-	1,772,584
Services from other agencies	970,042	712,620	1,682,662
Payroll taxes and benefits	1,181,403	-	1,181,403
Supplies	1,023,194	11,036	1,034,230
Small equipment	464,249	35,731	499,980
Travel	268,095	1,484	269,579
Conference and meetings	168,015	832	168,847
Printing and publications	100,364	647	101,011
Dues and subscriptions	65,681	17,350	83,031
Professional fees	8,326	64,715	73,041
Space rental	64,876	-	64,876
Depreciation	43,751	-	43,751
Miscellaneous	22,573	5,115	27,688
Insurance	-	19,653	19,653
Telephone	6,854	-	6,854
Postage	2,234	-	2,234
Total Expenses	\$ 11,410,658	\$ 1,953,530	\$ 13,364,188

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS
ADMINISTRATION**

Schedule of Net Position

June 30, 2024

(for inclusion in the California State University)

Assets:

Current assets:

Cash and cash equivalents	1,212,430
Short-term investments	-
Accounts receivable, net	2,717,209
Lease receivable, current portion	-
P3 receivable, current portion	-
Notes receivable, current portion	-
Pledges receivable, net	-
Prepaid expenses and other current assets	134,857

Total current assets 4,064,496

Noncurrent assets:

Restricted cash and cash equivalents	-
Accounts receivable, net	-
Lease receivable, net of current portion	-
P3 receivable, net of current portion	-
Notes receivable, net of current portion	-
Student loans receivable, net	-
Pledges receivable, net	-
Endowment investments	-
Other long-term investments	-
Capital assets, net	1,061,493
Other assets	-

Total noncurrent assets 1,061,493

Total assets 5,125,989

Deferred outflows of resources:

Unamortized loss on debt refunding	-
Net pension liability	-
Net OPEB liability	-
Leases	-
P3	-
Others	-

Total deferred outflows of resources -

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS
ADMINISTRATION**

Schedule of Net Position

June 30, 2024

(for inclusion in the California State University)

Liabilities:

Current liabilities:

Accounts payable	1,248,598
Accrued salaries and benefits	376,598
Accrued compensated absences, current portion	69,808
Unearned revenues	1,292,620
Lease liabilities, current portion	-
SBITA liabilities - current portion	-
P3 liabilities - current portion	-
Long-term debt obligations, current portion	-
Claims liability for losses and loss adjustment expenses, current portion	-
Depository accounts	-
Other liabilities	584,163
Total current liabilities	<u>3,571,787</u>

Noncurrent liabilities:

Accrued compensated absences, net of current portion	-
Unearned revenues	-
Grants refundable	-
Lease liabilities, net of current portion	-
SBITA liabilities, net of current portion	-
P3 liabilities, net of current portion	-
Long-term debt obligations, net of current portion	-
Claims liability for losses and loss adjustment expenses, net of current portion	-
Depository accounts	-
Net other postemployment benefits liability	-
Net pension liability	-
Other liabilities	-
Total noncurrent liabilities	<u>-</u>
Total liabilities	<u>3,571,787</u>

Deferred inflows of resources:

P3 service concession arrangements	-
Net pension liability	-
Net OPEB liability	-
Unamortized gain on debt refunding	-
Nonexchange transactions	-
Lease	-
P3	-
Others	-
Total deferred inflows of resources	<u>-</u>

See independent auditor's report.

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS
ADMINISTRATION**

Schedule of Net Position

June 30, 2024

(for inclusion in the California State University)

Net position:

Net investment in capital assets	1,061,493
Restricted for:	
Nonexpendable – endowments	-
Expendable:	
Scholarships and fellowships	-
Research	-
Loans	-
Capital projects	-
Debt service	-
Others	-
Unrestricted	<u>492,709</u>
Total net position	<u><u>1,554,202</u></u>

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS
ADMINISTRATION**

Schedule of Revenues, Expenses, and Changes in Net Position

Year Ended June 30, 2024

(for inclusion in the California State University)

Revenues:

Operating revenues:

Student tuition and fees, gross	-
Scholarship allowances	-
Grants and contracts, noncapital:	
Federal	10,976,651
State	849,288
Local	155,294
Nongovernmental	556,890
Sales and services of educational activities	-
Sales and services of auxiliary enterprises, gross	-
Scholarship allowances	-
Other operating revenues	2,420,132
Total operating revenues	<u>14,958,255</u>

Expenses:

Operating expenses:

Instruction	1,982,805
Research	3,827,227
Public service	1,573,931
Academic support	686,489
Student services	3,387,550
Institutional support	3,132,521
Operation and maintenance of plant	-
Student grants and scholarships	-
Auxiliary enterprise expenses	-
Depreciation and amortization	65,071
Total operating expenses	<u>14,655,594</u>
Operating income (loss)	<u>302,661</u>

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS
ADMINISTRATION**

Schedule of Revenues, Expenses, and Changes in Net Position

Year Ended June 30, 2024

(for inclusion in the California State University)

Nonoperating revenues (expenses):

State appropriations, noncapital	-
Federal financial aid grants, noncapital	-
State financial aid grants, noncapital	-
Local financial aid grants, noncapital	-
Nongovernmental and other financial aid grants, noncapital	-
Other federal nonoperating grants, noncapital	-
Gifts, noncapital	-
Investment income (loss), net	-
Endowment income (loss), net	-
Interest expense	-
Other nonoperating revenues (expenses)	2,656
Net nonoperating revenues (expenses)	<u>2,656</u>
Income (loss) before other revenues (expenses)	305,317

State appropriations, capital	-
Grants and gifts, capital	-
Additions (reductions) to permanent endowments	-
Increase (decrease) in net position	<u>305,317</u>

Net position:

Net position at beginning of year, as previously reported	1,248,885
Restatements	-
Net position at beginning of year, as restated	<u>1,248,885</u>
Net position at end of year	<u><u>1,554,202</u></u>

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION

Other Information

June 30, 2024

(for inclusion in the California State University)

	Balance June 30, 2023	Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2023 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2024
Composition of capital assets – SBTA ROU, net									
Depreciable/Amortizable SBTA assets:									
Software	-	-	-	-	-	-	-	-	-
Total depreciable/amortizable SBTA assets	-	-	-	-	-	-	-	-	-
Less accumulated depreciation/amortization:									
Software	-	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	-	-	-	-	-	-	-	-	-
Total capital assets – SBTA ROU, net	-	-	-	-	-	-	-	-	-
Composition of capital assets – P3 ROU, net:									
Non-depreciable/Non-amortizable P3 assets:									
Land and land improvements	-	-	-	-	-	-	-	-	-
Total non-depreciable/non-amortizable P3 assets	-	-	-	-	-	-	-	-	-
Depreciable/Amortizable P3 assets:									
Land and land improvements	-	-	-	-	-	-	-	-	-
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	-	-	-	-	-	-	-	-	-
Total depreciable/amortizable P3 assets	-	-	-	-	-	-	-	-	-
Less accumulated depreciation/amortization:									
Land and land improvements	-	-	-	-	-	-	-	-	-
Buildings and building improvements	-	-	-	-	-	-	-	-	-
Improvements, other than buildings	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-
Personal property:									
Equipment	-	-	-	-	-	-	-	-	-
Total accumulated depreciation/amortization	-	-	-	-	-	-	-	-	-
Total capital assets – P3 ROU, net	-	-	-	-	-	-	-	-	-
Total capital assets, net including ROU assets									1,061,493

3.2. Detail of depreciation and amortization expense:

Depreciation and amortization expense - capital assets, excluding ROU assets	\$ 65,071
Amortization expense - Leases ROU	-
Amortization expense - SBTA ROU	-
Amortization expense - P3 ROU	-
Depreciation and Amortization expense - Others	-
Total depreciation and amortization	\$ 65,071

See independent auditor's report.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Audit Committee
California State University, Bakersfield, Auxiliary for Sponsored Programs Administration

We have audited, in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of California State University, Bakersfield, Auxiliary for Sponsored Programs Administration (a nonprofit organization), which comprise the statement of net position as of June 30, 2024, the related statements of revenues, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 19, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's internal control. Accordingly, we do not express an opinion on the effectiveness of California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING
STANDARDS*, CONTINUED**

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Aldrich CPAs + Advisors LLP

San Diego, California
September 19, 2024

SUPPLEMENTAL AWARDS INFORMATION

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Audit Committee
California State University, Bakersfield, Auxiliary for Sponsored Programs Administration

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's compliance with the types of compliance requirements identified as subject to audit in the Office of Management and Budget *Compliance Supplement* that could have a direct and material effect on each of California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's major federal programs for the year ended June 30, 2024. California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, California State University, Bakersfield, Auxiliary for Sponsored Programs Administration complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of California State University, Bakersfield, Auxiliary for Sponsored Programs Administration and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE, CONTINUED

Auditor's Responsibilities for the Audit of Compliance, continued

Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of California State University, Bakersfield, Auxiliary for Sponsored Programs Administration's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, in a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Aldrich CPAs + Advisors LLP

San Diego, California
September 19, 2024

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS
ADMINISTRATION**

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2024

Federal/Pass-Through Grantor and Program Title	Federal Assistance Listing Number	Agency or Pass-Through Grantor No.	Expenditures	Subrecipients
Research and Development Cluster:				
<u>National Science Foundation</u>				
Direct Programs:				
Collab Research: Correlating Optoelectronic Properties	47.049	DMR-1904042	\$ 46,181	\$ -
Collaborative Research: GeoPaths-EXTRA	47.050	ICER-1700942	41,751	-
Cyber Resilient 5G Enable Virtual Power System Orchestration of Network Slicing for 5G-Enabled IoT Devices Using Reinforcement Learning	47.070	CNS-2219701	36,427	-
Catalyzing IDEA's for the San Joaquin Valley	47.076	CNS-2318634	28,540	-
HSI Pilot Project: The MAESTRO	47.076	HRD-1928568	203,242	-
Advance Catalyst: Organization	47.076	HRD-2122442	63,542	-
Collab Research: HIS Pilot Project SPACE	47.076	HRD-2200323	118,550	-
MRI: Acquisition of a Field Scanning Electron Microscope for Interdisciplinary Research and Teaching at CSUB	47.076	DUE-2247283	44,204	-
Pass-through Council of Graduate Schools: CGS Master's Career Pathway Project	47.083	EAR-2215523	520,046	-
Pass-through CSU Sacramento: CSU-LSAMP (2018-2023)	47.076	HRD-2100343	10,851	-
		HRD-1826490	10,000	-
			<u>1,123,334</u>	<u>-</u>
<u>U.S. Department of Agriculture</u>				
Direct Programs:				
BRIXCAL	10.223	2020-38422-32245	118,008	-
SUPPERSTAR: Sustainability Undergraduate Program	10.310	2022-68018-36609	98,871	-
Capacity Building Agricultural Wastes Collaborative Capacity Building on Biodegradable Soil Sensors for Sustainable Agriculture	10.326	2021-70001-34774	54,951	20,401
Pass-through Cal State Los Angeles Auxiliary Services, Inc: e-Farms: Education Reform in Food and Agriculture	10.326	2023-70001-40988	13,002	-
	10.223	2023-77040-41314	19,995	-
			<u>304,827</u>	<u>20,401</u>
<u>U.S. Department of Defense</u>				
Pass-through Brigham Young University: Assessing the Influence of Space Launch and Landing Noise on Species of Concern				
	12.005	23-0595	275,493	-
<u>U.S. Department of Education</u>				
Direct Programs:				
An Equitable Pathway to In Demand STEM Careers	84.031C	P031C210093	916,835	-
Increasing Hispanic STEM Related Degree Completion Pathway Adelante: A Model HIS Career Pathway to Health Sciences	84.031M	P031M190029	709,039	-
Puedas! Caminos, Carino, Y Carreras in Post Academic Era	84.031S	P031S200095	596,550	-
POP THE CAP	84.116T	P031S220020	736,594	-
		P116T230003	94,715	-
			<u>3,053,733</u>	<u>-</u>

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS
ADMINISTRATION**

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2024

Federal/Pass-Through Grantor and Program Title	Federal Assistance Listing Number	Agency or Pass-Through Grantor No.	Expenditures	Subrecipients
<u>U.S. Department of Energy</u>				
Direct Program:				
Nanopore Characterization for Geologic Storage og H2 and CO2	81.049	DE-SC0023639	\$ 354,513	\$ -
<u>U.S. Department of Health & Human Services</u>				
Direct Program:				
U-RISE at CSUB	93.859	5T34GM145384-02	280,368	-
Pass-through Fordham University:				
The 3E Study: Economic and Educational Contributions to Emerging Adult Cardiometabolic Health	93.837	3R01HL160703-02S2	34,042	-
			<u>314,410</u>	<u>-</u>
Total Research and Development Cluster			\$ 5,426,310	\$ 20,401
WIOA Cluster:				
<u>U.S. Department of Labor</u>				
Pass-through County of Kern:				
Migrant Book 2022	17.264	D237069	\$ 397	-
Migrant Book Assistance Program 2023	17.264	D247911	24,442	-
Total WIOA Cluster			\$ 24,839	-
TRIO Cluster:				
<u>U.S. Department of Education</u>				
Direct Program:				
CSUB TRIO Talent Search Program	84.044A	P044A210365	\$ 573,684	-
Total TRIO Cluster			\$ 573,684	-
<u>U.S. Department of Commerce</u>				
Direct Program:				
EDA University Center 2022-27	11.303	ED22SEA3030042	\$ 120,264	-
<u>U.S. Department of Defense</u>				
Direct Program:				
2023 GenCyber - CSUB	12.903	H98230-23-1-0144	13,945	-
<u>U.S. Department of the Interior, Bureau of Land Management</u>				
Direct Program:				
Detection of Coccidioides Immitis in Soil Samples	15.225	L21AC10478-00	18,110	-
<u>U.S. Department of the Interior</u>				
Pass-through the State Department of Parks and Recreation:				
SSJVIC - Historic Preservation Fund 22-23	15.904	P22AF01152	1,000	-

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS
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Schedule of Expenditures of Federal Awards

Year Ended June 30, 2024

Federal/Pass-Through Grantor and Program Title	Federal Assistance Listing Number	Agency or Pass-Through Grantor No.	Expenditures	Subrecipients
<u>U.S. Department of Justice/Office of Violence Against Women</u>				
Direct Program:				
Roadrunner Risk Reduction Program	16,525	2018-WA-AX-0046	\$ 19,554	\$ -
Runner Pride: Prevention, Inclusion, Diversity	16,525	15JOVW-23-GG-04453-HBCU	49,530	-
			69,084	-
<u>U.S. Department of State</u>				
Pass-through World Learning Inc:				
Faculty Led Study Abroad Nursing Program to Developing Nations	19,009	IDEAS-CSUB01	30,403	-
<u>U.S. Department of the Treasury</u>				
Pass-through OPR California Volunteers:				
California for College Fellows	21.027-COVID-19	CCSFRF002	510,692	-
City of Bakersfield Entrepreneurship Ecosystem Technical Assistance and Grant	21,027-COVID-19	2023-065	80,987	-
			591,679	-
<u>National Endowment for the Humanities</u>				
Direct Program:				
California Dreaming: Migration, Work, and Settlement	45,163	BH-281239-21	138,406	-
Pass-through California Humanities:				
America's Newest Cities: Housing and "Red Lining" in California's Central	45,129	SO-289878-23 / HFAQ23-356	4,284	-
			142,690	-
<u>Institute of Museum and Library Services</u>				
Direct Program:				
The Lonesome Trail: Arborglyph and Basque Shepherders in the Far West	45,301	IGSM-252830-OMS-23	11,001	-
<u>U.S. Small Business Administration</u>				
Pass-through The Regents of UC, Merced:				
SBA Core Funding SBDC	59,037	SBAHQ22B0079	7,088	-
SBDC Core Funding 2023	59,037	SBAOEDSB230009-01-01	255,000	-
SBDC Core Funding 2024	59,037	SBAOEDSB40074-01	11,927	-
			274,015	-
<u>U.S. Department of Education</u>				
Direct Programs:				
High School Equivalency Program	84,141A	S141A200028	526,901	-
College Assistance Migrant Program	84,149A	S149A200030	502,447	-
TQP III: Citizen Scientist Residency Pathway	84,336S	U336S180012	384,643	-
Pass-through Tulare County Office of Education:				
Teacher Residency for Rural Education	84,336S	U336S190056	149,955	-
Pass-through The Regents of UC, Office of the President:				
CSMP-ESSA22	84,367A	S367A220005	20,171	-
			1,584,117	-
<u>National Historical Publications and Records Commission</u>				
Pass-through Nevada System of Higher Education:				
Arborglyphs: Immigrants Speaking Through the Aspens	89,003	RJ-103516-23	2,574	-

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS
ADMINISTRATION**

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2024

Federal/Pass-Through Grantor and Program Title	Federal Assistance Listing Number	Agency or Pass-Through Grantor No.	Expenditures	Subrecipients
<u>U.S. Department of Health & Human Services</u>				
Direct Program:				
HRSA ANEW Program Transforming Workforce	93.247	T94HP32897-01-00	\$ 7,817	\$ -
HRSA ANEW IHOS3 Program	93.247	2 T94HP32897-05-00	633,806	-
HRSA NEPQR-SET Strong Workforce for the Future	93.359	T4852016	181,344	-
Pass-through Penny Lane Centers:				
MSW Field Education State	93.959-COVID-19	GRA10177	7,282	-
MSW Field Placement	93.959-COVID-19	GRA10491	6,064	-
Pass-through The Center for Sexuality and Gender Diversity:				
MSW Field Education 2023-24	93.959-COVID-19	GRA10521	34,656	-
Pass-through Regents of UC, Berkeley:				
CalSWEC Title IV-E	93.658	00011218	1,058,638	-
			<u>1,929,607</u>	<u>-</u>
<u>Corporation for National and Community Service-AmeriCorps</u>				
Pass-through Jumpstart for Young Children, Inc.:				
JumpStart Training for ECE Students Interested in Teaching	94.006	3360230	20,937	-
Jumpstart Children First 2023-2024	94.006	3360240	54,012	-
			<u>74,949</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 10,888,271</u>	<u>\$ 20,401</u>

CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS ADMINISTRATION

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2024

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of California State University, Bakersfield, Auxiliary for Sponsored Programs Administration and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Note 2 - Summary of Significant Accounting Policies

California State University, Bakersfield, Auxiliary for Sponsored Programs Administration did not elect to use the 10% de minimus cost rate as covered in the Uniform Guidance 2 CFR section 200.414 indirect costs.

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS
ADMINISTRATION**

Schedule of Findings and Questioned Costs

Year Ended June 30, 2024

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Significant deficiency(ies) identified?	None reported
Material weakness(es) identified?	No
Noncompliance material to the financial statements noted?	No

Federal Awards

Internal control over major program:	
Significant deficiency(ies) identified?	None reported
Material weakness(es) identified?	No

Type of auditor's report issued on compliance for major programs	Unmodified
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Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance, 2 CFR section 200.516(a)?	No
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Identification of major programs:

<u>Federal Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
84.044	TRIO Cluster – TRIO – Talent Search
93.247	HRSA ANEW
93.658	CalSWEC Title IV-E

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
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Auditee qualified as a low-risk auditee under the Uniform Guidance, 2 CFR section 200.520?	Yes
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Section II - Financial Statement Findings

None reported.

Section III - Federal Award Findings and Questioned Costs

None reported.

**CALIFORNIA STATE UNIVERSITY, BAKERSFIELD, AUXILIARY FOR SPONSORED PROGRAMS
ADMINISTRATION**

Schedule of Prior Year Findings and Questioned Costs

Year Ended June 30, 2024

Section IV - Prior Year Findings and Questioned Costs

None reported.